

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to
Adopt Rules and Procedures
Governing Commission-Regulated
Natural Gas Pipelines and Facilities
to Reduce Natural Gas Leakage
Consistent with Senate Bill 1371.

R.15-01-008

**REPLY COMMENTS OF THE
COALITION OF CALIFORNIA UTILITY EMPLOYEES
ON THE ADMINISTRATIVE LAW JUDGE'S RULING ENTERING STAFF
WORKSHOP SUMMARY AND WORKSHOP MATERIALS ON TARGETS,
COMPLIANCE, AND ENFORCEMENT INTO THE RECORD AND SEEKING
COMMENTS**

July 22, 2016

Marc D. Joseph
Jamie L. Mauldin
Adams Broadwell Joseph & Cardozo
601 Gateway Blvd., Suite 1000
South San Francisco, CA 94080
(650) 589-1660 Voice
(650) 589-5062 Fax
mdjoseph@adamsbroadwell.com
jmauldin@adamsbroadwell.com

Attorneys for Coalition of California
Utility Employees

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Pursuant to the Administrative Law Judge’s Ruling Entering Staff Workshop Summary and Workshop Materials on Targets, Compliance, and Enforcement into the Record and Seeking Comments issued June 23, 2016, the Coalition of California Utility Employees (“CUE”) submits these Reply Comments.

COMMENTS ON STAFF WORKSHOP REPORT

CUE supports EDF’s Opening Comments in full. EDF’s comments articulate how the Commission and CARB can thoughtfully and effectively implement an emissions reduction target of 40-45% by 2025 consistent with President Obama’s goals and Governor Brown’s executive orders. Importantly, the 40-45% reduction should only be seen as an interim target as the statute’s goals are to *minimize* methane emissions.¹ EDF proposal for CARB to set a California-wide goal for emissions reductions, but allow each utility and storage provider to achieve the

¹ EDF Opening Comments, pp. 5-6.

different emissions reductions will allow each utility the flexibility to analyze its data and prioritize repair of the largest leaks or groups of leaks first as that will likely secure the greatest amount of volumetric reductions. Further, EDF provided an example of CenterPoint Energy in Texas implementing advanced data analytics strategy aimed at prioritizing investments and predicting where leaks were likely to happen.² Using this strategy helped CenterPoint find 5.7 times more leaks than it normally would have.³ The utilities and storage providers should prioritize the largest leaks and groups of leaks in order to address their biggest emitters. Each utility's system is different and therefore component specific reduction targets should not be universally set across utilities, but should be dependent on the state of each utility's system.

In contrast, Joint Utilities (Sempra and Southwest Gas) argue that CARB should not implement a 40-45% emissions reduction goal because the state should be focusing on the dairy, agriculture, and landfill sectors, as they are larger methane emitters than the oil and gas sector.⁴ The Joint Utilities now seem to be arguing that SB 1371 does not apply to them. The Commission should ignore these arguments.

² *Id.*, at p. 6.

³ *Id.*

⁴ Joint Utilities Opening Comments, p. 9.

9. What enforcement models might most effectively ensure reductions are achieved and maintained? Should the Commission revise GO 112-F to include a compliance and enforcement model to address SB 1371 requirements? Or should it establish a new general order specific to meeting SB 1371 requirements similar to the Commission's existing GO 167, Enforcement of Maintenance and Operation Standards for Electric Generating Facilities? What role, if any, should ARB or local air districts, or other entities, play in helping to ensure reductions are achieved and maintained?

In our Opening Comments, CUE proposed that the Commission should amend GO 112-F to include all the requirements and best practices ultimately determined in this proceeding. It should not house the enforcement practices in a separate General Order because this would cause confusion.

Currently, GO 112-F requires certain activities that conflict with the proposed best practices. These must be changed. In particular, Section 143 contains definitions and requirements for leak surveys and leak grades, both of which must be changed through this proceeding. As such, the Commission should amend GO 112-F both with a compliance and enforcement model to address SB 1371 requirements and to update any sections rendered obsolete by new and improved SB 1371 requirements. The Commission should specify in the Scoping Memorandum that it intends to amend GO 112-F in this proceeding, and the specific portions of GO 112-F that are subject to being updated by this proceeding.

CONCLUSION

CUE appreciates the opportunity to comment on the Staff Workshop Summary and respectfully asks the Commission to consider these comments as it prepares a Proposed Decision in this proceeding.

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Respectfully submitted,

/s/

Marc D. Joseph

Jamie L. Mauldin

Adams Broadwell Joseph & Cardozo

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South San Francisco, CA 94080

(650) 589-1660 Voice

(650) 589-5062 Fax

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